



# **CITY COUNCIL AGENDA REPORT**

MEETING DATE: JANUARY 20, 2009

ITEM NUMBER: VI-8

**SUBJECT: AUTHORIZE BUDGET ADJUSTMENT TO ACCEPT PROPOSITION 1B  
TRANSPORTATION BOND FUNDING**

**DATE: JANUARY 8, 2009**

**FROM: PUBLIC SERVICES DEPARTMENT**

**PRESENTATION BY: PETER NAGHAVI, DIRECTOR, DEPARTMENT OF PUBLIC SERVICES**

**FOR FURTHER INFORMATION CONTACT: MELANIE EUSTICE, MANAGEMENT ANALYST  
(714) 754-5024**

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## **RECOMMENDATION:**

1. Approve Budget Adjustment #09-021 for \$1,691,864 in Prop. 1B funding and appropriate to Public Services Citywide Residential Street Maintenance Project and Citywide Parkway Maintenance Project.

## **BACKGROUND:**

The Fiscal Year 2008-09 State budget includes \$187 million in Proposition 1B Local Streets and Roads (Prop. 1B) funding provided for cities including Costa Mesa on a first-come, first-served basis. This funding is released by the State Controller's Office following notification from the Department of Finance that the City has submitted a completed plan for the expenditure of these funds.

In order to be eligible to receive this funding, the City must have received its full allocation from the 2007-08 Appropriation and must have reported the progress of its projects to the Department of Finance through the annual update as required by Government Code Section 8879.65 (c). In addition, the City must agree to encumber the new funds from the 2008-09 Appropriation prior to July 1, 2009.

## **ANALYSIS:**

The City of Costa Mesa was allocated \$1,830,475.94 in Prop. 1B funds in FY 2007-2008 and filed the required annual report on November 21, 2008. On January 6, 2009, the City Council approved a plan for use of its requested share of Prop. 1B funding (Attachment 1). The City of Costa Mesa was successful in obtaining the second allocation of Prop 1B funding.

The City's FY 2008-09 adopted Capital Improvement Budget included the Citywide Parkway Maintenance Project and the Citywide Street Maintenance Project, which have been identified as the projects that will be funded with the new Prop. 1 B funds. The State requires that Prop. 1B projects must be included in the budget that has been

adopted by the jurisdiction's Council or board at a regular public meeting. The City of Costa Mesa has met this requirement.

**ALTERNATIVES CONSIDERED:**

The City Council could choose to not approve the Budget Adjustment for the Prop. 1B allocation. However, this would disqualify the City from funding eligibility and would require the funds to be returned.

**FISCAL REVIEW:**


The attached Budget Adjustment (Attachment 2) will recognize \$1,691,864 in Prop. 1B funding from the State of California Department of Finance for FY 2008-09. \$491,864 will be appropriated to the Citywide Parkway Maintenance Project and \$1,200,000 will be allocated to the Citywide Residential Street Maintenance Project. The funds must be spent within a three-year time frame, which means that all Prop. 1B funds received by the City must be spent by June 30, 2011.

**LEGAL REVIEW:**

No legal review is required.

**CONCLUSION:**

The State of California has allocated \$1,691,864 to the City of Costa Mesa in Prop. 1B funds. Staff recommends that the City Council approve the Budget Adjustment to authorize the release of Prop. 1B funds.

  
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MELANIE EUSTICE  
Management Analyst

  
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PETER NAGHAVI, DIRECTOR  
Department of Public Services

  
\_\_\_\_\_  
MARC R. PUCKETT  
Director of Finance

DISTRIBUTION:      City Manager  
                            City Attorney  
                            Finance Director  
                            City Clerk  
                            Staff

ATTACHMENTS:      1      Resolution  
                            2      Budget Adjustment

## RESOLUTION NO. \_\_\_\_

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COSTA MESA TO APPROVE A LIST OF PROJECTS AND ACCEPT PROPOSITION 1B FUNDING FROM THE STATE OF CALIFORNIA DEPARTMENT OF FINANCE TO BE USED ON ELIGIBLE TRANSPORTATION PROJECTS WITHIN THE CITY OF COSTA MESA.

WHEREAS, in FY 2007-08 Proposition 1B Local Streets and Roads (Prop. 1B) provided \$19.925 billion in bond funds for a variety of transportation priorities, including \$2 billion for cities and counties to fund the maintenance and improvement of local transportation facilities; and

WHEREAS, The FY 2008-09 State budget includes \$187 million in Prop. 1B funding provided for cities in the 2008 Budget Act; and

WHEREAS, The City of Costa Mesa expects to receive \$1,691,864 in Prop. 1B funding from the California State Department of Finance; and

WHEREAS, the City Council of the City of Costa Mesa approves the List of Projects that includes a number of projects under the Citywide Parkway Maintenance Project and the Citywide Residential Street Maintenance Project, which are eligible for Prop. 1B funding; and

WHEREAS, the List of Projects includes projects from the Capital Improvement Program Budget for FY 2008-09 that was adopted by City Council on June 19, 2007; and

WHEREAS, the City of Costa Mesa must spend Prop. 1B funds before June 30, 2011 or risk losing the funds.

NOW, THEREFORE BE IT RESOLVED that the City Council of the City of Costa Mesa hereby approves the List of Projects, which includes projects under the Citywide Parkway Maintenance Project and the City Wide Residential Street Maintenance Project.

BE IT FURTHER RESOLVED that the City of Costa Mesa will accept Prop. 1B funding from the State of California Department of Finance to be used for the aforementioned approved List of Projects, which are eligible transportation projects.

BE IT FURTHER RESOLVED that the City Clerk shall certify to the passage and adoption of the Resolution and it shall thereupon take effect and be in force.

PASSED AND ADOPTED this 6<sup>th</sup> day of January, 2009

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Allan R. Mansoor, Mayor

ATTEST:

APPROVED AS TO FORM:

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Julie Folcik, City Clerk

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Kimberly Hall Barlow, City Attorney

STATE OF CALIFORNIA )  
COUNTY OF ORANGE ) ss  
CITY OF COSTA MESA )

I, JULIE FOLCIK, City Clerk of the City of Costa Mesa, DO HEREBY CERTIFY that the above and foregoing is the original of Resolution No. \_\_\_\_ and was duly passed and adopted by the City Council of the City of Costa Mesa at a regular meeting held on the 6<sup>th</sup> day of January, 2009, by the following roll call vote, to wit:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

IN WITNESS WHEREOF, I have hereby set my hand and affixed the seal of the City of Costa Mesa this \_\_\_\_ day of January, 2009.

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JULIE FOLCIK, CITY CLERK

(SEAL)

## BUDGET ADJUSTMENT AUTHORIZATION

[illegible]